



NRO REVIEW COMPLETED

DOH - 0072

13 November 1959

MEMORANDUM FOR THE RECORD

SUBJECT: CORONA - ARCON Environmental Test Facilities

1. On Monday, November 9, I called on [redacted] in his office at ITEK to inform him of the decision to use the environmental testing facilities proposed by Fairchild (subject to Lockheed favorable evaluation) for ARCON and CORONA and to discuss with him our request that in CORONA ITEK set up the specifications for the Fairchild's follow-on testing, review the results, and advise the prime constructor as to qualifications.

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2. The meeting lasted over two hours and was tempestuous to say the least. At the outset I explained that our objective was threefold--first, to obtain the advantages of improved testing facilities and to use them at the same location as manufacture; second, to retain in CORONA ITEK's competence for which we have the greatest respect; and third, to achieve what appeared to be substantial dollar savings in both ARCON and CORONA.

3. There followed a series of rather emotional statements by [redacted] relating to the following:

a. We were guilty of bad faith in making the decision prior to consultation with ITEK. This was particularly annoying coming on top of the "arbitrary" decision made last summer affecting the ITEK-Fairchild relationship in the ARCON program.

b. If our object was to save money (I had to explain several times that saving money is only one of three objectives) we were fooling ourselves in thinking that money could be saved this way; and we should ask ITEK to propose to us ways of saving money.

c. If the Government was willing to spend [redacted] for new facilities it would be much better to spend these sums to improve ITEK's facilities. ITEK has the testing know-how rather than Fairchild.

d. If we persisted in this course ITEK had many friends in high quarters whose help would be sought. Specifically, [redacted] said that he had many Air Force friends who wanted to take CHALICE over, that he had several times restrained them from so doing, and that, by inference, he would be tempted to retaliate now by encouraging them to take this action.

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

c. If we persisted he questioned whether ITEK would cooperate in any manner in the CONONA program.

4. I showed surprise at the intensity of his emotions. He feels that through hard work ITEK has become pre-eminent in the field of space environment and that not only it is their due reward to be kept there through the CONONA program, but that a change in their role along the suggested lines would seriously prejudice ITEK's position in the industry. I reminded him that the only change was that involving facilities, that ITEK was to stay on top of the testing and that this change would hardly shake the corporation to its foundations. This did not seem to be a convincing argument.

5. The discussion ended by his requesting a week in order to determine what ITEK's position would be. He hopes to talk to Mr. Bissell during the week. Probably he will then ask that our discussion be held up for thirty days in order to permit ITEK to prepare a counter-proposal. I agreed to the week's delay.


Chief, Development Branch
DPD-DD/P

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CURRENT AND PROPOSED OPERATIONS

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OPERATION	AREA	DATE	USAF-AGENCY	STATE
1. CHALICE				

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d. Ferry #352		16-20 November	N/R	N/R
e. Ferry #355(J-57 IRAN complete)		6-12 December	N/R	N/R
f. Ferry #349 (J-57 for IRAN)		6-12 December	N/R	N/R
2. [Redacted]	Overflight	Unknown	Approved	N/R

4. CORONA

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a. 9005	20 November
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